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THIS IS UNEVALUATED INFORMATION

- Ing. Tucek
Janousek

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3. Under the direction and control of the Ministry of Foreign Trade representatives of the national trade monopolies meet every month with the representatives of the National Bank to discuss export and import plans for the following month. These plans are divided into five territorial areas. The value of the total of Czech exports is balanced against the imports of the five territorial areas. However, since the various foreign bills of exchange are not proportionally distributed among each of these areas, transfers are constantly being made.
4. All imports and exports are subject to strict government control. The planning department of the individual trade company secures the required import-export permits, which are certified at the Ministry by the territorial officer and by the Office of Foreign Bills of Exchange. If compensation or Junktim deals are involved, however, Merkuria National Enterprise must first submit the agreement to the Commission for Foreign Trade in the Ministry, which must approve the permit before it passes to the territorial and foreign bills of exchange officers. The Commission for Foreign Trade is composed of the following officers:

Ing. Tucek, Chairman, representing the Office of Foreign Bills of Exchange.

Ing. Cervený, representing Merkuria.

Dr. R. Margolius, Territorial Officer.

Rosicky, Commodity Officer.

Dvorak, Planning Officer.

5. Czechoslovakia has treaties which are valid for 1950 with the following countries:

Holland	Denmark	Poland
Belgium	Sweden	USSR
France	Norway	Rumania
Switzerland	Eastern Germany	Hungaria
England	Western Germany	Bulgaria
	Turkey	Albania
		China (probably)

An active contact with Portugal is also maintained, and recently trade with Greece has been initiated. The latter involves for the most part the export of electric machines and instruments from Czechoslovakia. Bureaus of Plenipotentiary have been established for certain of the satellite countries, including one for Poland and for the USSR, which is directed by Zdenek Fierlinger. The Bureau of Plenipotentiary for trade with Yugoslavia has been abolished.

6. A comparison of the commercial treaties existing immediately after World War II with the current ones reveals a steady decrease in the volume of trade. The reasons for this are the gradual loss of traditional outlets for Czech luxury and consumer goods, and the limitation on investment goods exports to the West for political reasons. (1) The lack of strategic raw material imports is being severely felt. At the end of May 1950, for example, reserves of copper held by Czech industries was sufficient for only three months. As a result of this situation, it is believed that political principles will probably be shelved for a time.

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- X 8. The following is a list of critical items imported by Czechoslovakia, with a discussion of sources of supply:

[✓] a. Copper:

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b. Aluminum:

c. Manganese:

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✓ d. Tungsten:

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As a result of the loss of tungsten supplies from Yugoslavia, Czechoslovakia will accept any quantity offered.

e. Metals for special steel production:

The supply of these metals, such as molybdenum, is so short that individuals have been entrusted with the task of securing them through acquaintances abroad, often through illegal channels.

f. Scrap iron:

There is a shortage of about 350,000 tons of scrap iron in Czechoslovakia. Workers' carelessness and sabotage cause damage to and loss of 20 percent of melted scrap produced by blast furnaces. Sabotage is a common occurrence. In June 1950, one blast furnace at Kladno (N51/L59) was destroyed by an explosion. It was thought that containers of acetylene were mixed with the scrap iron.

g. Textiles:

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h. Leather:

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i. Rubber:

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j. Chemical Industry:

Raw materials for the production of war materials are short, and the production of medicines is exclusively dependent on delivery of foreign raw materials; the shortage is very acute. Although source believes good quality penicillin is being produced in sufficient quantity by the newly built state penicillin plant at Roztoky (051/179), there is believed to be only about 30 grams of streptomycin in all of Czechoslovakia.

k. Glass and ceramics industry:

There is a shortage of raw materials, particularly of feldspar, because of an unfavorable balance of payments

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l. Industrial machines and equipment:

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It has been impossible for Czechoslovakia to import annealing furnaces, radio parts, such as tubes, tungsten and osmium for resistance wire and parts for machines for foreign origin such as aircraft, automobiles, and road equipment.

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10. Ball bearings, the lack of which is Czech industry's chief bottleneck, are purchased abroad in any quantity offered if the dimensions are acceptable.

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11.

12. The traditional Czech luxury exports such as glass, china, and textile goods are rapidly diminishing, and Prague is ready to export these items at a loss in order to maintain outlets. Chairs and bent wood (sic) will be offered at dumping prices in the near future. Wood is still exported from Czechoslovakia, although production is 3,000,000 cubic meters less than before World War II. Wood exports are mostly in the form of compensation deals. Ball bearings, textile machine parts, cars and tractors and raw silk valued at several million kcs have been imported by Czechoslovakia in this manner.

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Comments:

✓(1) Investment equipment is still exported

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